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The Aluminum Situation

Department of Economics and Statistics **September 1985**

Shipments Off 2.5 Percent

Net shipments for seven months of 1985, at an estimated 8,870 million pounds, were 2.5 percent lower than the 9,100 million pounds for seven months of 1984.

Domestic shipments of 8,077 million pounds were 5.1 percent lower than the 8,512 million pounds shipped in seven months of 1984.

Imports were down 9.2 percent and exports improved 34.7 percent.

Thru July 1985

	7 mos. 1985	7 mos. 1985	% Change
Mill Products	7,024	7,228	- 2.8
Ingot	1,846	1,872	- 1.4
Total	8,870	9,100	- 2.5
Less Exports	(793)	(588)	+34.7
Domestic Total	8,077	8,512	- 5.1

Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

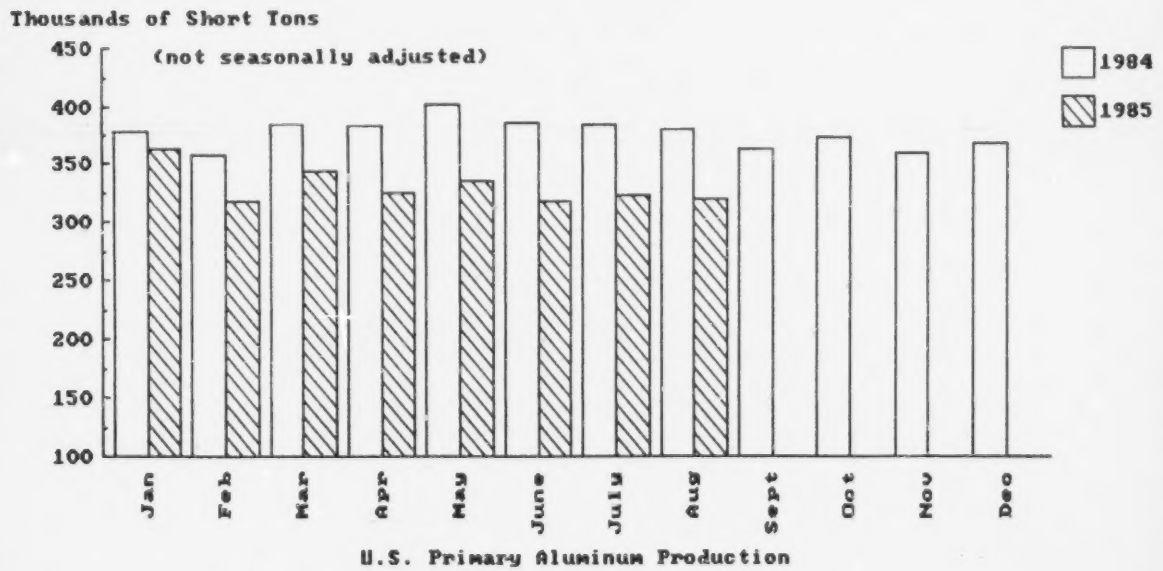
Production Rate Down 15.8 Percent

U.S. primary aluminum production averaged 10,281 short tons daily during August 1985 compared with an average 12,218 tons day in August 1984.

The annual rate of production in August 1985 was 3,752,647 tons, compared to 3,790,213 tons in July 1985. August 1984 production rate was 4,471,658 tons.

Actual production in August 1985 was 318,718 tons.

Primary Production

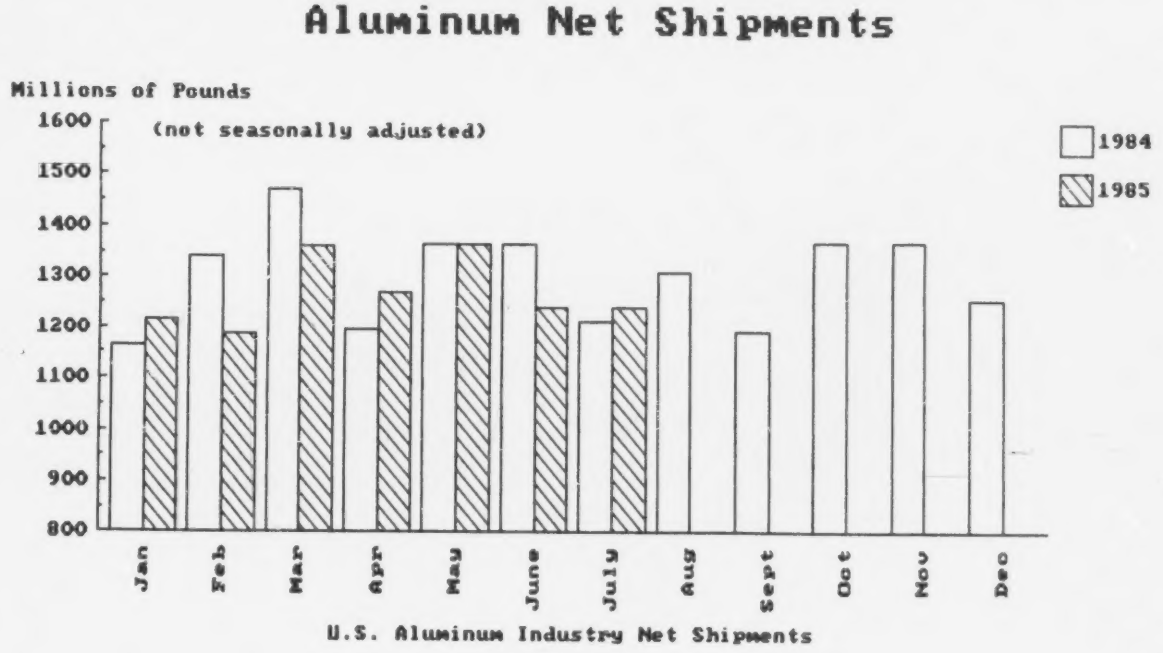


U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Seven Months 1985 Shipments 2.5 Percent Less Than Year Ago

Estimated shipments of 8,870 million pounds for the first seven months of 1985 were down 2.5 percent from 1984's same period. Exports show a 34.7 percent increase (mainly in ingot). Domestic shipments were off 5.1 percent.



Net Shipments

(Millions of Pounds)

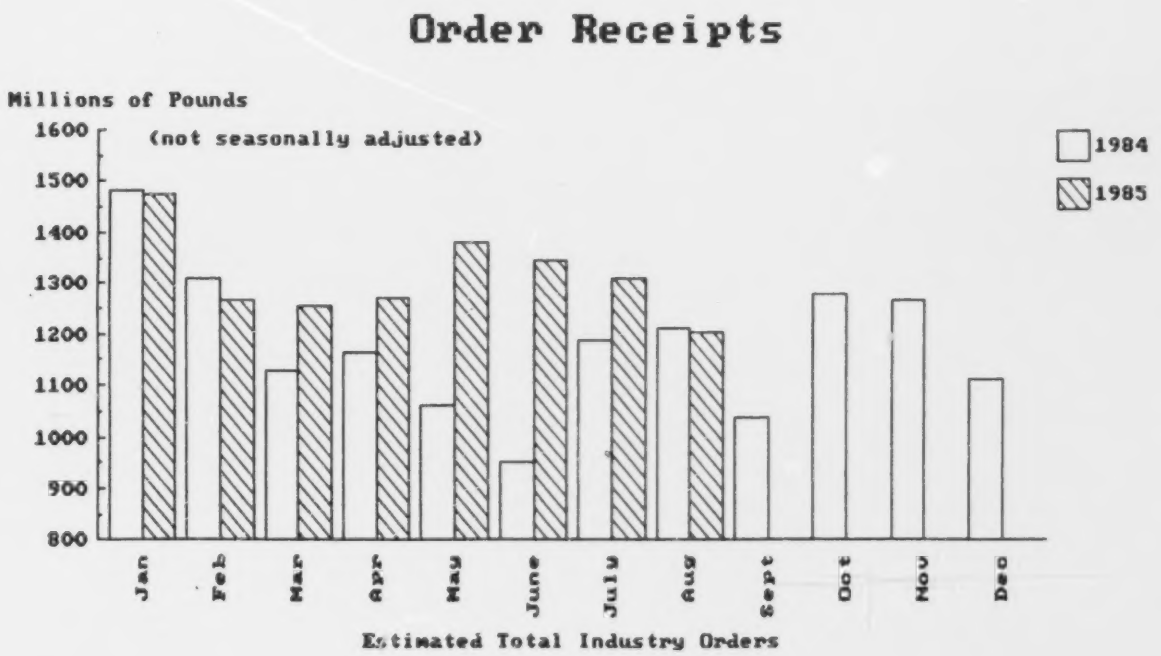
	1985 July*	1984 July	1985 7 mos*	1984 7 mos.	% Change YTD 1985 vs. 1984
Sheet	540.0	495.6	3,658.3	3,815.7	- 4.1
Plate	18.0	20.2	152.2	148.5	+ 2.5
Foil	63.0	68.2	471.3	509.7	- 7.5
Rod, Bar & Wire	26.0	24.5	183.9	243.7	-24.5
Electrical Conductor	55.0	59.6	419.8	411.4	+ 2.0
Extruded Shapes & Tube	215.0	201.4	1,507.6	1,423.4	+ 5.9
Powder & Paste	8.0	7.5	65.1	57.9	+12.4
Forgings & Impacts	11.0	12.0	87.4	86.5	+ 1.0
Net Imports of Mill Products (Total) (a)	65.0	100.4	478.4	531.6	-10.0
Total Mill Products	1,001.0	989.4	7,024.0	7,228.4	- 2.8
Ingot (b)	236.0	217.9	1,846.3	1,871.7	- 1.4
TOTAL INDUSTRY SHIPMENTS	1,237.0	1,207.3	8,870.3	9,100.1	- 2.5
Exports	(112.8)	(84.6)	(792.5)	(588.4)	+34.7
TOTAL DOMESTIC SHIPMENTS	1,124.2	1,122.7	8,077.8	8,511.7	- 5.1

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Eight Months Orders 10.5 Percent Over Year Ago

Estimated net new order receipts for the first eight months of 1985 of 10,497 million pounds were up 10.5 percent over the 9,501 million pounds for the first eight months of 1984. August 1985 orders were off 0.5 percent vs. August 1984.



Order Receipts

(Millions of Pounds)

	1985 August*	1984 August	1985 8 mos*	1984 8 mos.	% Change YTD 1985 vs. 1984
Can Stock(a)	229.8	313.4	2,203.2	2,145.2	+ 2.7
Sheet & Plate, Other	324.3	232.2	2,771.6	2,187.9	+26.7
Foil	50.9	63.2	483.9	536.2	- 9.8
Rod, Bar & Wire	23.3	22.7	135.0	186.0	-27.4
Electrical Conductor	52.7	40.9	487.3	490.8	- 0.7
Extruded Products	212.1	183.7	1,740.4	1,524.2	+14.2
Powder & Paste	9.3	7.3	81.5	78.1	+ 4.4
Forgings & Impacts	7.4	9.1	80.1	92.6	-13.5
Domestic Mill Products	909.8	872.5	7,983.0	7,241.0	+10.2
Ingot (Total)	215.9	256.7	1,828.4	1,642.8	+11.3
TOTAL DOMESTIC	1,125.7	1,129.2	9,811.4	8,883.8	+10.4
Exports	78.7	81.7	685.6	617.6	+11.0
TOTAL ALL PRODUCTS	1,204.4	1,210.9	10,497.0	9,501.4	+10.5

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Import orders included in Sheet and Plate, Other.
*Latest month.

Inventories Declined in July 1985 to 5,522 Million Pounds

Producer inventories decreased an estimated 23 million pounds in July 1985 from the revised June 1985 level of 5,545 million pounds. The Bureau of The Census recently revised inventory data upwards for January through June 1985. Through July, inventories now appear to be down 327 million pounds from year-end 1984.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Aug 84	5,794	4,640	225	930
Sep 84	5,881	4,710	226	945
Oct 84	5,889	4,722	225	942
Nov 84	5,920	4,792	205	925
Dec 84	5,849	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jan 85	5,868r	2,555r	701r	2,612
Feb 85	5,774r	2,668r	669r	2,437
Mar 85	5,757r	2,536r	657r	2,564
Apr 85	5,690r	2,576r	677r	2,438
May 85	5,647r	2,559r	688r	2,400r
Jun 85	5,545r	2,421r	657r	2,466r
Jul 85	5,522	2,430	660	2,432

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1985 July	1984 July	1985 7 mos.	1984 7 mos.	% Change 1985 vs. 1984
Imports	Mill Products	76.3	125.4	597.8	654.6	- 8.7
	Ingot	151.2	133.0	1,079.6	1,192.2	- 9.4
	Total	227.5	258.4	1,677.4	1,846.8	- 9.2
	Scrap (+ dross)	18.8	39.1	143.9	184.3	-21.9
	Grand Total	246.3	297.5	1,821.3	2,031.1	-10.3
Exports	Mill Products	29.3	40.3	256.8	305.1	-15.8
	Ingot	83.5	44.3	535.7	283.3	+89.1
	Total	112.8	84.6	792.5	588.4	+34.7
	Scrap	63.6	32.3	505.2	256.5	+97.0
	Grand Total	176.4	116.9	1,297.7	844.9	+53.6
Net Imports		69.9	180.6	523.6	1,186.2	-55.9

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.